



**CHARTER AGREEMENT**  
**Rocketship Nashville #3**

This Charter Agreement (hereinafter referred to as “this Agreement”) is entered into this, the \_\_\_ day of \_\_\_\_\_ 2020, by and between the Tennessee State Board of Education (hereinafter referred to as “the Chartering Authority”) and Rocketship Nashville #3 (hereinafter referred to as “the Charter School”). The Chartering Authority and Charter School are collectively referred to as the “Parties” to this Agreement.

For purposes of this Agreement, “Charter School” refers to the Sponsor and, once the Governing Body assumes operational and management responsibility for the school, the Governing Body. The terms “Charter School,” “Sponsor,” and “Governing Body” are used interchangeably herein; however, references herein to “Charter School” shall not include other schools operated by the Sponsor or Governing Body.

This Agreement consists of the following documents:

- This document and any exhibits hereto or documents incorporated herein by reference
- Approved Charter School’s Application (Exhibit 1)
- Current Approved Performance Frameworks – Academic, Organizational, and Financial (Exhibit 2)
- Pre-Opening Checklist (Exhibit 3)
- Waivers (Exhibit 4)

In consideration of the mutual covenants and promises contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereto agree as follows:

**1. General Terms**

**1.1. Applicable Law.** This Agreement and the Charter School’s operations shall be governed by and construed in accordance with the laws of the state of Tennessee and applicable federal laws. Though the Charter School may, pursuant to Tennessee Code Annotated (“T.C.A.”) § 49-13-111, seek waivers from the Chartering Authority or the commissioner of education from Tennessee laws or rules of the State Board of Education that inhibit the Charter School’s ability to meet its goals or comply with the school’s mission, the Parties understand that currently, waivers may not be provided from the types of laws and rules specifically listed in T.C.A. § 49-13-111, from any provisions of Title 49, Chapter 13 (the Tennessee Public Charter Schools Act, hereinafter referred to as the “Act”), those included in the Act by reference, or from other laws specifically applicable to charter schools (such as those related to benefits or retirement of charter school employees contained in Title 8, Chapter 27, Part 3).

To the extent there is a conflict between the terms of this Agreement and the Charter School’s Application, the terms of this Agreement shall govern.



By signing this Agreement, the Chartering Authority approves any waivers requested in the Charter School's Application, unless such waivers are excluded from Exhibit 4. Approved waivers and any other waivers subsequently requested and approved are attached as **Exhibit 4**.

**1.2. Effective Date.** This Agreement shall be effective immediately following signature by the Governing Board or its designee and the Chartering Authority. This Agreement shall expire on June 30 of the tenth (10<sup>th</sup>) year after the date of opening of the Charter School for instruction, unless earlier terminated or renewed pursuant to the terms of this Agreement or state law. In the event that the Charter School chooses to exercise its statutory authority under T.C.A. § 49-13-110 to delay the opening of the school for one (1) year, all dates listed throughout the Agreement shall move forward one (1) calendar year from the dates in the Agreement.

**1.3 Pre-Opening Process.** Upon approval by the Chartering Authority, the pre-opening checklist (the "Pre-Opening Checklist", incorporated into this Agreement as **Exhibit 3**), will be sent to the Charter School outlining specific actions that must be put in place during the planning year and completed prior to the Charter School opening for instruction. If the Pre-Opening Checklist is substantially incomplete at the time of inspection, the Chartering Authority may decide to not allow the Charter School to open until the Charter School has completed all pre-opening steps under T.C.A. § 49-13-111, Chartering Authority policies, and the Pre-Opening Checklist.

If the Charter School is allowed to open despite the failure to complete all items required by the Pre-Opening Checklist, the Charter School must provide proof to the Chartering Authority that all items on the Pre-Opening Checklist have been completed by the date specified by the Chartering Authority. The failure of the Charter School to complete all items on the Pre-Opening Checklist by the specified date shall be a material violation of this Agreement and shall subject the Charter School to immediate charter revocation.

**1.4. Charter School Performance.** The operation of the Charter School shall be subject to the terms and conditions of this Agreement and the Act. Decisions by the Chartering Authority regarding amendment, renewal, or revocation of this Agreement shall be based upon applicable laws, rules, policies, this Agreement, and/or the academic, organizational, and financial Performance Frameworks (the "Performance Frameworks") incorporated into this Agreement as **Exhibit 2**, as well as the Intervention Policy incorporated into this Agreement as **Exhibit 5**.

The Chartering Authority shall have broad oversight authority over the Charter School and may take all reasonable steps necessary to oversee compliance with this Agreement and applicable laws, rules, and policies. This oversight authority includes, but is not limited to, the right to visit, examine, and inspect the Charter School and its records during the pre-opening year, during the annual monitoring visit, and to investigate a complaint (notice including a statement of the complaint shall be given to the Charter School, unless in the judgment of the Chartering Authority such notice would inhibit the Chartering Authority's ability to investigate the complaint. Information that may identify the complainant may be redacted if deemed necessary by the Chartering Authority).

Upon reasonable notice, the Chartering Authority may interview Charter School employees, Board members, students, and families as necessary to resolve complaints and grievances. With respect to complaints and grievances, additional information is contained in Section 8.2.



The Chartering Authority shall provide in writing to the Charter School no later than July 1 of each school year a Master Reporting Calendar which will set out key deadlines for the Charter School to provide certain information and reports. Additionally, at least thirty (30) days prior to any site visit, the District shall provide the Charter School with a written list of any required documentation and/or specified actions for the site visit.

The Parties agree that the most critical performance measures contained in the Performance Frameworks are the academic measures, which may include student achievement, student growth measures (including annual measurable objectives), readiness for successive school levels (middle, high, or post-secondary) and employment, as well as mission-specific academic goals defined in the Performance Frameworks.

For the purposes of accountability, renewal, and/or revocation evaluation, the Performance Frameworks supersede all assessment measures, educational goals and objectives, financial operations metrics, and organizational performance metrics set forth in the Charter School's Application and not explicitly incorporated into the Performance Frameworks. However, this shall not prevent the Chartering Authority from holding the Charter School accountable for any goals contained in the Charter School's Application that do not conflict with Performance Frameworks for purposes of accountability, renewal, and/or revocation evaluation. The specific terms, form and requirements of the Performance Frameworks are maintained and disseminated by the Chartering Authority and shall be binding on the Charter School.

The Chartering Authority shall—at least annually—monitor and report on the Charter School's progress in relation to the indicators, measures, metrics, and targets set out in the Performance Frameworks, as well as compliance with federal and state laws and regulations, and when required by the Performance Frameworks and such laws and regulations. The Chartering Authority will conduct an annual scheduled comprehensive site visit each year, which will be used to inform the interim review done at the end of the fifth year.

The Chartering Authority shall conduct an interim review at the end of the fifth year after the date of opening of the Charter School for instruction, pursuant to T.C.A. § 49-13-121.

Changes to the Performance Frameworks to align with changes to applicable state or federal accountability requirements shall apply to the Charter School. In the event of such changes, the Chartering Authority will use best efforts to apply expectations for school performance in a manner consistent with those set forth in the Performance Frameworks as initially established in the most recent charter agreement.

Changes to the Performance Frameworks that are not required by state or federal law or accountability requirements will not become binding upon the Charter School without the Charter School's consent, except at the time of charter renewal or amendment.

**1.5. Location.** The Charter School location is to be determined and will be located in the southeast region of Nashville, TN. If the Charter School proposes to change its location, such change shall not require an amendment to this Agreement unless the location change is materially different from the location of the Charter School as discussed in the Charter School's Application

and described in this agreement. Non-material changes in location shall require at least thirty (30) days prior notice to the Chartering Authority. Any change in location that is determined by the Chartering Authority to be materially different from the Charter School's Application shall require an amendment to this Agreement as set forth in Section 10. If the Charter School is located at a site owned or controlled by the local education agency (LEA) in which the Charter School is located or a site owned or controlled by the local government where the Charter School is located, the use of such site shall be subject to and governed by a Facilities Agreement between the parties.

**1.6. Employment Status.** All teachers and other staff of the Charter School shall be employed by the Charter School, and not the Chartering Authority.

## **2. Charter School Organizational Responsibilities**

**2.1. Student Enrollment and Retention.** The Charter School shall enroll students according to T.C.A. § 49-13-113. The Charter School shall not discriminate with respect to admissions on the basis of race, color, ethnicity, religion, national origin, English language proficiency, sex, disability, or the need for special education and related services as set forth in the Charter School's Application and the Act.

The Charter School may enroll students up to a total maximum enrollment of 560. Increases in total enrollment numbers greater than 10% or forty (40) students, whichever is less, shall constitute material changes to this Agreement, and are not permitted unless a formal amendment to this Agreement is secured in advance according to the provisions outlined in T.C.A. § 49-13-110(d) and State Board Rule 0520-14-01-.06. Reductions in enrollment greater than 15% or fifty (50) students, whichever is less, must be reported to the Chartering Authority and evaluated to determine if they are material changes to this Agreement. Reductions in enrollment in successive years or changes that affect the financial solvency of the Charter School are considered material and shall require an amendment to this Agreement. Any change in enrollment that is considered to be material to this Agreement shall not be permitted unless a formal amendment to this Agreement is secured in advance according to the provisions outlined in T.C.A. § 49-13-110(d), State Board Rule 0520-14-01-.06, and this Agreement.

If the number of applications for the Charter School exceeds the capacity of a program, class, grade level, or building, enrollment shall occur according to the preferences in T.C.A. § 49-13-113. If enrollment within a group of preference set out in subdivision (d)(4) exceeds the planned capacity of the Charter School, enrollment within that group shall be determined on the basis of a lottery that complies with statute. The Charter School may not "counsel out" or discourage students from attending the Charter School for any reason, including but not limited to failure to comply with letters of commitment or similar proposed contracts between students and parents and the Charter School.

**2.2. Academic Program.** The Charter School shall operate the academic program in accordance with this Agreement, the Charter School's Application, and applicable state and federal law, including providing at least the same equivalent time of instruction as other public schools and complying with assessment and accountability laws and rules (T.C.A. § 49-13-111). If the Charter School is performing below standards, the Chartering Authority may review the academic program. The Charter School will notify the Chartering Authority of any changes to the

academic program that are a change from the Charter School's Application, and the Chartering Authority will evaluate to determine if they are material changes to this Agreement. Any changes to the school structure shall be considered material to this Agreement and shall not be permitted unless a formal amendment to this Agreement is secured in advance according to the provisions outlined in T.C.A. § 49-13-110(d), State Board Rule 0520-14-01-.06, and this Agreement.

**2.2.1. Assessments.** The Charter School shall administer all state-mandated assessments to the extent such assessments are required by the Tennessee Department of Education, which currently include but are not limited to TCAP or its successor assessment, writing assessments, and English learner (EL) assessments for the required grades and testing windows. The Charter School shall comply with all Department of Education-required assessment administration, security, and reporting requirements. The Charter School may use additional assessments of its own choosing.

**2.3. Special Education.** Special education services, related services, and accommodations for students who are eligible under the Individuals with Disabilities Education Act (IDEA), Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act (ADA), or any applicable provisions of state law, shall be provided in accordance with applicable state and federal law, this Agreement and Chartering Authority rules and policy. The Chartering Authority is the LEA for purposes of ensuring compliance with IDEA, Section 504, and all other federal and state laws and regulations concerning accommodation of and education of students with disabilities.

**2.3.1. Responsibility of the Charter School.** The Charter School assumes responsibility for the provision of services, development and implementation of individualized education programs (IEPs), 504 plans, child find, evaluation and re-evaluation, and all other obligations under IDEA and/or Section 504 for students identified as eligible for special education services and/or disability accommodations. The Charter School shall have a qualified special education coordinator who will be responsible for monitoring individual case management of all special education students and disabled students and for arranging the provision of services required by their IEP and/or 504 plan. The Charter School shall maintain documentation of the Charter School's compliance with IDEA and Section 504 as required by law. No student shall be denied admission nor counseled out of the Charter School due to the nature, extent, or severity of his/her disability or due to the student's request for, or actual need for, exceptional education services or accommodations pursuant to IDEA, Section 504, or the ADA.

The Charter School shall also implement the requirements of Response to Instruction and Intervention ("RTI<sup>2</sup>"), as set forth by the Tennessee Department of Education.

The Charter School shall report to the Chartering Authority any and all formal complaints, relating to IDEA Due Process for special education and Office of Civil Rights complaints for disability accommodations within ten (10) business days of the Charter School's notification of such occurrences.

The Charter School's indemnity of the Chartering Authority relating to special education and disability accommodations is provided in Section 12.c.

**2.3.2. Costs for Special Education.** The Charter School is financially responsible for child find including student identification, evaluation and assessment expenses. All costs associated with providing educational services to students with disabilities are the responsibility of the Charter School. The Charter School shall bear the financial responsibility for evaluations and reevaluations and the provision of all services consistent with student IEPs and 504 plans.

The Chartering Authority will pass federal funding to the Charter School based on the per pupil allocation received from the Tennessee Department of Education. Funding is available on a reimbursement basis.

**2.4. English Learners.** The Charter School shall address the needs of EL students pursuant to applicable federal and state laws and regulations (including Title III of the Every Student Succeeds Act (ESSA) and Title VI of the Civil Rights Act of 1964 (Title VI)). The Charter School agrees to maintain and consistently implement a policy to identify students in need of EL services, to provide services in an equitable manner to ensure meaningful access to the school's educational program (including the provision of appropriate accommodations), and to facilitate obtaining English proficiency and exit from EL services according to individual student capacity. In addition, the Charter School shall ensure that Limited English Proficiency (LEP) parents and guardians have meaningful access to school-related information.

**2.5. Student Discipline/Due Process.** The Charter School is responsible for administering its discipline policy in a manner consistent with state and federal law and, rules, and the Chartering Authority's policies that ensures students' due process rights are satisfied, including the provision of appropriate informal or formal hearings. The Charter School shall promptly notify the Chartering Authority and the LEA in which the student resides of any student expulsion. If the LEA in which the student resides determines that the expelled student is eligible for its Alternative School program, the Charter School shall work with the LEA in which the student resides to provide an expelled student access to the LEA's alternative school programs.

**2.6.1. Student Information Systems.** The Charter School shall adopt the Student Information System selected by the Chartering Authority.

**2.6.2. Student Information Reporting.** To ensure compliance with federal and state law regarding student records, the Charter School shall report to the Chartering Authority student information enrollment projections for the coming year no later than February 20. Any errors in data reported to the State by the Charter School shall be the sole responsibility of the Charter School to identify and correct.

### **3. Staffing**

**3.1. Teachers.** The Charter School shall ensure that all teachers are licensed pursuant to state statutes, Chartering Authority policies and rules, and meet applicable federal qualifications including exceptional education certified and ESL certified. The Charter School shall also ensure that all other staff are properly licensed and endorsed pursuant to state statutes.

**3.2. Background Checks.** All current employees of the Charter School who have or who will have contact with children at the Charter School within the scope of the individuals' employment, and employees of contractors or sub-contractors of the Charter School who have contact with children within the scope of the individuals' employment, shall complete criminal background checks as required by state law using the ORI number of the Charter School.

**4. Facilities**

The Charter School shall ensure the Charter School's grounds and facilities comply with applicable health and safety laws, including the ADA, state fire marshal codes, and state and local zoning and land use codes.

The Charter School shall not commence instruction prior to completion of applicable inspections and receipt of a completed Pre-Opening Checklist (attached as Exhibit 3) from the Chartering Authority, unless the Chartering Authority permits the Charter School to open and provide later certification of completion of all items on the Pre-Opening Checklist.

**5. Food Service**

If the Charter School offers food services on its own or through a third-party contract, the Charter School may apply directly to, and if approved, operate school nutrition programs with reimbursement from the United States Department of Agriculture, under supervision of the Tennessee Department of Education.

**6. Transportation**

The Charter School will provide transportation as set forth in the Charter School's Application. If the Charter School has elected to provide transportation for its students, the Chartering Authority shall provide to the Charter School the funds that would otherwise have been spent to provide transportation as provided in T.C.A. § 49-13-114. In order to receive these funds, the Charter School must comply with state laws and Chartering Authority rules and policies regarding student transportation. Transporting students in buses that have not been approved for operation by the department of safety may be grounds for non-renewal or revocation of this agreement. A change to the Charter School's plan to provide or not provide transportation for its students is considered material and requires an amendment, however, a modification in a plan to provide transportation is not considered material.

**7. Insurance**

The Charter School shall maintain the following insurance:

- a. **General Liability/Automobile Liability Policy:** must be equal to or greater than \$5,000,000. This insurance shall be primary insurance. Any insurance or self-insurance programs covering the State of Tennessee, its officials, employees, and volunteers shall be in excess of this insurance and shall not contribute to it. The first one million dollars must be with a company licensed to do business in the state of Tennessee. The remaining \$4,000,000 can be covered under an excess

- liability policy (also known as an “umbrella” policy). The policy must name the State of Tennessee as an additional insured. The policy must cover contractual liability. Automobile coverage shall cover vehicles owned, hired, and non-owned.
- b. Professional Liability Policies: Directors and Officers Policy must be equal to or greater than \$5,000,000. Teachers Professional Liability Policy must be equal to or greater than \$1,000,000.
  - c. Workers Compensation and Employers Liability Policy: The amount of coverage required for Workers Compensation is determined by statute. Charter School must comply with state statutes. Employers Liability must be a minimum of \$100,000.
  - d. Property and Boiler Insurance Policy: If the Charter School purchases the property that will be used by the Charter School, it shall purchase “all risks” property and boiler insurance. Insurance shall be for the full replacement cost of the property and contents with no coinsurance penalty provision.
  - e. Sexual Abuse: Must have \$1,000,000 required coverage
  - f. State of Tennessee shall be named as an additional insured on the charter school insurance policy.

Certificates of insurance, in a form satisfactory to the Chartering Authority, evidencing coverage shall be provided to the Chartering Authority prior to commencement of performance of this Charter Agreement. Throughout the term of this Charter Agreement, Charter School shall provide updated certificates of insurance upon renewal of the current certificates.

## 8. Governance

**8.1. General Requirements.** The Charter School shall notify the Chartering Authority of any change to its status as a nonprofit federal tax exempt organization under IRC § 501(c)(3).

The Governing Body and/or Charter School shall include parent participation in governance through membership on the Governing Body or establishment of a school advisory council pursuant to T.C.A. § 49-13-109.

The Charter School shall comply with all applicable provisions of the Tennessee Open Meetings Act, including with regard to the scheduling of Governing Body meetings, meeting agendas, public notice of meetings, and records of those meetings. At the start of each school year, the Charter School shall provide to the Chartering Authority the list of names of all board members and a schedule of Governing Body meetings for that school year.

As required by T.C.A. § 49-13-111, the Governing Body shall be subject to the conflict of interest provisions contained in T.C.A §§ 12-4-101 and 102.

**8.2. Complaints.** The Governing Body shall be the first avenue for formal appeal in case of any complaints or grievances filed against the Charter School or its employees and volunteers. The Governing Body will ensure that the Charter School establishes policies and procedures for receiving and addressing complaints or grievances directed toward the Charter School or its employees and will make those policies available to students, parents/guardians, employees, and any other persons who request it. If grievances persist following an appeal to the

Governing Body, or for complaints regarding alleged violations of law or the Charter Agreement, including any violations that may subject the school to revocation or non-renewal under T.C.A. §§ 49-13-121 or 122 may be investigated by the Chartering Authority. The Chartering Authority shall also have the ability to investigate complaints in compliance with the Chartering Authority's policies and procedures. Grievances that are not resolved by the Charter School or Governing Body, or a pattern of serious grievances, may be considered in any application for renewal of this Agreement or any action to revoke the charter.

The Charter School shall notify the Chartering Authority within 7 business days if the Charter School has been named a party to a lawsuit that has been filed in court.

**8.3. Reporting of Corporate Status.** The Charter School shall report any change to the Charter School's corporate legal status or any change in its standing with the Tennessee Secretary of State's Office to the Chartering Authority within five business (5) days of the change. Any change to the Charter School's corporate legal status as a not-for-profit organization shall constitute grounds for immediate revocation unless, during the term of this Agreement, the Act is amended to allow Charter Schools to be operated by organizations other than not-for-profit organizations.

## **9. Finance**

**9.1. State and Local Funds.** The Chartering Authority shall allocate one hundred percent (100%) of state and local Basic Education Program (BEP) funds to the Charter School on a per pupil expenditure as provided in T.C.A. § 49-13-112 and as calculated by the formula provided by the Tennessee Department of Education. The Chartering Authority shall allocate funds to the Charter School after each of the ten (10) attendance-reporting intervals. The Chartering Authority shall allocate and distribute one-tenth of state and local funds to the Charter School by the 15<sup>th</sup> of the month in August, September, October, November, December, January, February, March, April, and June. Each state and local payment from October through April and the final payment in June is contingent on the Charter School's reporting of the Charter School's Average Daily Membership (ADM) in the Tennessee Department of Education's Education Information System (EIS). Each payment starting in October will be reconciled to the reported ADM for the period before being released. The final (tenth) payment will not be released until the year's ADMs have been reconciled.

If the Charter School is adding a new grade in accordance with the Charter School's Application and this Agreement, the Charter School shall be funded based on anticipated enrollment in this Agreement, as submitted to the Chartering Authority for initial budgeting purposes no later than February 15 of each year. Initial payments will be based on this anticipated enrollment, which must be agreed upon by the Chartering Authority and the Charter School and reflected in the Charter School's approved budget for the upcoming fiscal year by June 1 of each year. Upon completion of the grade expansion period, the Charter School's state and local funds will be allocated based on the prior year's ADM in the Tennessee Department of Education's EIS system, and consistent with T.C.A. § 49-3-351.

### **9.2. Federal Funds.**

- a. Eligibility: Each year, the Chartering Authority shall provide to the Charter School the school's proportionate share of applicable federal ESSA funding (e.g. Title I, Title II, Title III, Title IV, or Title V) and other federal grants received by the Chartering Authority for which the Charter School is eligible. Schools are eligible for such funds upon approval of their plans for such funds either by the Chartering Authority or the Tennessee Department of Education (TDOE).
- b. Fund Collection: The LEA in which the Charter School operates shall pay to the TDOE one hundred percent (100%) of the per student share of any federal funding in the custody of the LEA that is due to the charter school. The TDOE shall withhold from the LEA one hundred percent (100%) of all federal funding in the custody of the TDOE that is due to the charter school. The TDOE shall then allocate and disburse one hundred percent (100%) of these funds to the Charter School in accordance with procedures developed by the TDOE. The Chartering Authority shall reduce the allocation to charter schools by a percentage allowable under federal rules and regulations for administrative, indirect, or any other category of cost or charges.
- c. Fund Distribution & Reporting: Funds shall be distributed on a documented expenditure reimbursement basis with the required documentation. The Charter School shall submit grant reimbursement reports to the Chartering Authority at least quarterly but no more frequently than monthly. The Chartering Authority shall distribute to the Charter School federal reimbursement funds within 30 days approval of expenditure reimbursement requests.
- d. Use of funds. The Charter School shall comply with all regulations tied to such federal funds, including 2 C.F.R. 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, ESSA, IDEA, and any other applicable federal or state laws.

**9.3. Fee for Services Agreement.** Pursuant to T.C.A. § 49-13-142(f), the Charter School may enter into a separate fee for services agreement, for the provision of services (including but not limited to school or student support services such as food services and transportation) to be provided to the Charter School by the LEA in which the Charter School is located. The Charter School may also enter into a separate fee for services agreement with the Chartering Authority for the provision of services. Fees for services provided to the Charter School by the Chartering Authority shall be deducted from the BEP payments provided to the Charter School. Failure of the Charter School to enter such an agreement with the Chartering Authority shall not be grounds for revocation or non-renewal of this Agreement.

Annually, the Charter School shall notify the Chartering Authority of any fee for services agreement(s) entered into with the LEA in which the Charter School is located or with any other vendor or outside contractor specific to the Charter School, including, but not limited to any agreement for the provision of services relating to the service of special populations and shall provide a copy to the Chartering Authority of any agreement(s) entered into. This shall only apply to those contracts or agreements that have a value of more than \$10,000, however, the Charter School shall provide a copy of any fee for services agreement(s) with a value of \$10,000 or less at the Chartering Authority's request.

**9.4. Tuition.** The Charter School shall not charge tuition unless otherwise permitted by Chartering Authority policy.

**9.5. Charter School Debt.** The Charter School is solely responsible for all debt it incurs, and the Chartering Authority shall not be contractually bound on the Charter School's account to any third party. The Chartering Authority shall not be liable in any instance for the Charter School's unpaid debts if the Charter School does not have sufficient funds to pay all of its debts.

The Charter School shall notify the Chartering Authority immediately of a default on any obligation owed to the Chartering Authority, which shall include debts for which payments are past due by sixty (60) days or more. If debts are incurred in the provision of employee benefits pursuant to T.C.A. § 49-13-119, the Chartering Authority may withhold the amount owed from the monthly payment until such debts are satisfied. Any other debts owed to the Chartering Authority must be satisfied prior to release of the last annual payment.

**9.6. Financial Management.** The Charter School shall control and be responsible for financial management and performance of the Charter School including budgeting and expenditures. Before receiving BEP funds through the Chartering Authority, the Charter School must demonstrate (if not already demonstrated in the Charter School's Application) the existence of appropriate governance and managerial procedures and financial controls including:

- a. Accounting methods complying with T.C.A. § 49-13-111(o);
- b. A checking account;
- c. Adequate payroll procedures;
- d. An organizational chart;
- e. Procedures for the creation and review of monthly and quarterly financial reports, including identification of the individual responsible for preparing such financial reports in the following fiscal year;
- f. Internal control procedures for cash receipts, disbursements, and purchases; and
- g. Maintenance of asset inventory lists and financial procedures for federal grants in accordance with applicable federal law.

The Chartering Authority reserves the right to require, consistent with the Act, the submission of financial reports as indicated in Chartering Authority policies.

The Charter School shall comply with T.C.A. §§ 49-13-111 and 120 regarding completion and submission of annual budgets, financial reports, and audits to the Chartering Authority and the State. The Charter School shall undergo an independent financial audit conducted in accordance with T.C.A. §§ 49-13-111(l) and 49-13-127. The audit shall be furnished to the Chartering Authority, the Commissioner of Education, and the Comptroller of the Treasury by December 31 of each year in accordance with the Chartering Authority's reporting calendar. If such audit is not received by the Chartering Authority on or before December 31 of each year, it shall be considered a material breach of this Agreement, which the Charter School shall have 15 business days, or such other time as the Parties may agree, to cure. The audit should express an unqualified opinion on the financial statements. A qualified audit opinion will result in an automatic review and request for explanation from the Charter School. In addition, any material weaknesses in controls should be disclosed during the audit. A material weakness will result in a

potential review and explanation from the Charter School. The Charter School shall also prepare and provide to the Chartering Authority a copy of its final annual budget for the upcoming fiscal year no later than July 1 of each year. In addition, the Charter School shall submit any other financial and/or operational reports pursuant to T.C.A. § 49-13-111(d).

**9.7. Financial Records.** All financial records of the Charter School pertaining to the management and operation of the School are subject to inspection and production as required for fulfillment of the Chartering Authority's fiduciary responsibilities, upon reasonable notice.

**9.8. Authorizer Fee.** Pursuant to T.C.A. § 49-13-118, the Charter School agrees to the payment of an annual authorizer fee.

## **10. Amendments**

Pursuant to T.C.A. § 49-13-110, petitions to amend this Agreement shall follow the timelines established in State Board Rule 0520-14-01-.06 for approval or denial by the Chartering Authority. An amendment shall not become effective, and the Charter School shall not take action or implement the change requested in the amendment, until the amendment is approved by the Chartering Authority.

Not all changes to the Charter School's operation constitute material changes to this Agreement that require an amendment. However, the following changes (as well as any other changes mentioned in other sections of this Agreement as being material and requiring an amendment as well as changes outlined in State Board Rule 0520-14-01-.06) are considered material and shall require an amendment:

- a. Material changes in the Charter School's mission;
- b. Changes in the Charter School's calendar that reduce the calendar by 5 or more days in the first year of operation or by more than ten (10) days in subsequent years, in the absence of timely notification of parents or below the requirement to provide at least the same equivalent time of instruction as required in regular public schools in T.C.A. § 49-13-111(r)(12); and
- c. Changes in school location that are materially different from the location of the Charter School as discussed in the Charter School's Application and this Agreement pursuant to Section 1.5.

Educational program matters not specifically identified in this Agreement or the Charter School's Application shall remain within the Charter School's authority and discretion.

The following changes do not require an amendment, however the Charter School shall notify the Chartering Authority of any of the following within thirty (30) days:

- a. Changes to the June 1<sup>st</sup> budget submitted to the Chartering Authority, subject to the requirements of state and federal law;
- b. Changes in the mailing address of the school, phone or fax number, or web address of the Charter School;
- c. Changes in the members and duties of the Governing Body including names and contact information;

- d. Changes in the school leader or, if applicable, the chief executive of the Charter School or charter management organization including names and contact information;
- e. Changes in any leadership in the Charter School or individuals serving as main contacts with the Chartering Authority, including names and contact information; and
- f. Changes in school location to a location permitted by Section 1.5.

## **11. Renewal, Revocation, Closure, and Dissolution**

**11.1. Renewal.** Pursuant to T.C.A. § 49-13-121, the Charter School may apply for renewal of this Charter Agreement by application submitted no later than April 1 of the year prior to the year in which this Agreement expires and in accordance with Chartering Authority renewal rules and policies. This Agreement may be renewed without modification, except for the incorporation by attachment of the approved renewal application. The Parties may also amend this Agreement as part of the renewal process.

The Chartering Authority may elect not to renew this Charter Agreement pursuant to the Chartering Authority rules, policies, and T.C.A. § 49-13-121. Any proposed amendments to this Agreement that are rejected by one of the Parties shall constitute denial of the renewal application. Denial of the renewal application by the Chartering Authority shall be final and not subject to appeal.

**11.2. Revocation.** During the term of this Agreement, in accordance with the Chartering Authority's policies, the Chartering Authority will provide notice to the Charter School of non-compliance with applicable laws, rules, or this Agreement and give the Charter School an opportunity to cure the non-compliance prior to instituting revocation proceedings pursuant to T.C.A. § 49-13-122 and Chartering Authority rules and policies, unless the Chartering Authority determines that the violations are so severe that such notice and an opportunity to cure should be waived. Such notice and opportunity to cure shall not be required for grounds upon which this Agreement or state law calls for immediate revocation of the charter.

At any time during the term of this Agreement, the Chartering Authority may revoke this Agreement for any reason set forth in T.C.A. § 49-13-122, and/or a material violation of any of the conditions, standards, or procedures set forth in this Agreement.

If the Chartering Authority determines that any grounds for revocation exist, it may revoke this Charter Agreement according to the procedures set forth in T.C.A. § 49-13-122 and Chartering Authority policies.

**11.3. Closure and Dissolution.** In the event that the Charter School is required to cease operation for any reason, including but not limited to closure, non-renewal, revocation, or voluntary surrender of the charter, the Charter School shall cooperate with the Chartering Authority to ensure orderly closure of the Charter School including, but not limited to:

- a. Timely notification of parents and teachers of the closure decision;

- b. Securing student records and transferring them to the LEA in which the Charter School is located;
- c. Assisting in placing students in appropriate schools;
- d. Managing all financial records consistent with the Chartering Authority's school closure requirements and policies; and
- e. Disposal of school assets in accordance with the Act and this Agreement.

The Charter School shall also comply with any closure policies or protocols established by the Chartering Authority.

Dissolution of the Charter School following revocation, expiration of this Agreement, dissolution or cessation of operations, or non-renewal shall comply with T.C.A. §§ 49-13-110(e) and 49-13-122. The Charter School shall be responsible for winding down operations, including payment of any and all debts, obligations, or liabilities incurred at any time by the Charter School. Under no circumstances shall the Chartering Authority be responsible for such obligations. Charter School personnel and the Governing Body shall cooperate fully with any activity related to school closure or phase out. If assets of the Charter School were funded with funds from the Chartering Authority, other than funds described in Sections 9.1 and 9.2, and such assets remain after paying the Charter School's debts and obligations and not requiring return or transfer to donors or grantors, such assets will become the property of the Chartering Authority.

## **12. Indemnification and Hold Harmless**

The Chartering Authority and Charter School each shall give immediate written notice to the other of the assertion of any claim or the commencement of any litigation for which indemnification is sought and shall cooperate with each other in the defense of the claim or litigation.

The Charter School shall indemnify and hold harmless the Chartering Authority and the State of Tennessee, its officers, agents, and employees from the following:

- a. Any claims, causes of action, liabilities, losses, damages, costs, and attorney fees for injuries or damages arising, in part or in whole, from the negligent or intentional acts or omissions of the Charter School, its officers, employees, and/or agents, including its sub- or independent contractors, in connection with the performance of this Charter Agreement or relating to this Charter Agreement;
- b. Any costs, attorney fees, and/or financial penalties imposed on the Chartering Authority by state and/or federal authorities arising out of actions or omissions of the Charter School relating to special education or disability accommodations; and
- c. Any claims, damages, penalties, costs, and attorney fees arising from any failure of the Charter School, its officers, employees, and/or agents, including its sub- or independent contractors, to observe applicable laws.

In the event of any such suit or claim, the Charter School shall provide all assistance required by the State in the State's defense. Nothing contained herein shall be deemed to afford

to the Charter School, through its attorney(s), the right to represent the State of Tennessee in any legal matter, such rights being governed by T.C.A. § 8-6-106.

### **13. Contract Construction**

**13.1. Waiver.** The failure of either of the Parties to this Agreement to insist on strict performance of any term or condition of this Agreement shall not constitute a waiver of that term or condition, even if the Party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

**13.2. Non-assignability.** No right or interest in this Agreement shall be assigned by anyone on behalf of the Charter School, and delegation of any contractual duty of the Charter School shall not be made without prior written approval of the Chartering Authority. A violation of this provision shall be grounds for immediate termination of this Agreement and revocation of the Charter.

Should the Charter School propose to enter into a contract with another non-profit entity to manage the School, this constitutes a material change that requires an amendment to this Agreement. The Charter School agrees to submit all information requested by the Chartering Authority regarding the management arrangement, including a copy of the proposed contract and a description of the management company, with identification of its principals and their backgrounds. The Charter School shall not enter a management contract without written approval from the Chartering Authority. Failure to receive approval from the Chartering Authority prior to entering into a contract shall be grounds for immediate revocation.

This Agreement may be assigned by the Chartering Authority to the Tennessee Public Charter School Commission pursuant to T.C.A. § 49-13-142(h).

**13.3. Agreement.** The Parties intend this Agreement, including all attachments and exhibits hereto, to represent a final and complete expression of their agreement, which shall be considered the Agreement. All prior representations, understandings, and discussions are merged herein, and no course of prior dealings between the Parties shall supplement or explain any terms used in this document. The Parties recognize that amendments to this Agreement may be executed from time to time hereafter.

**13.4. Survival of Representations and Warranties.** All representations and warranties hereunder shall be deemed to be material and relied upon by the Parties with or to whom the same were made, notwithstanding any investigation or inspection made by or on behalf of such Party or Parties. The representations and warranties covered in this Agreement will survive the termination or expiration of this Agreement.

**13.5. Severability.** The provisions of this Agreement are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition, and the remainder of the Agreement shall remain in effect unless otherwise terminated by one or both of the Parties.



**13.6. Authority.** The individual officers, agents, and employees of the Parties hereto who execute this Agreement do hereby individually represent and warrant that they have full power and lawful authority to execute this Agreement.

**13.7. Change of Law.** If, due to any change in applicable law, regulation, or interpretation thereof by any court of law or other governing body having jurisdiction subsequent to the date of this Agreement, performance of any provision of this Agreement or any transaction contemplated hereby shall become impracticable or impossible, the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such provision.

**13.8 Notice.** Any notice required or permitted under this Agreement shall be in writing, sent via electronic or other means, and shall be effective immediately upon personal delivery, subject to verification of service or acknowledgment of receipt, or three (3) days after mailing when sent by certified mail, postage prepaid. Such noticed shall be sent to:

If to the Chartering Authority:

Mailed to:

Tennessee State Board of Education  
Attn: Angie Sanders, General Counsel  
500 James Robertson Parkway  
5<sup>th</sup> Floor  
Nashville, TN 37243

and emailed to:

[Angela.C.Sanders@tn.gov](mailto:Angela.C.Sanders@tn.gov)

If to the Charter School:

Mailed to:

Rocketship Public Schools  
Attn: James Robinson, Nashville Director of Schools  
350 Twin Dolphin Drive  
Suite 109  
Redwood City, CA  
94065

and emailed to:

[compliance@rsed.org](mailto:compliance@rsed.org)

Either party may change its address for notices under this Agreement by notice to the other party.



THE STATE OF TENNESSEE BY AND THROUGH THE  
TENNESSEE STATE BOARD OF EDUCATION:

By: \_\_\_\_\_

Printed Name: Dr. Sara Morrison

Title: Executive Director

Date: \_\_\_\_\_

By: \_\_\_\_\_

Printed Name: Lillian Hartgrove

Title: Chairman, State Board of Education

Date of Board Approval: \_\_\_\_\_

CHARTER SCHOOL:

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Sworn to and subscribed to before me, a Notary  
Public, this \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_, by  
\_\_\_\_\_, the  
\_\_\_\_\_ of Charter  
School and duly authorized to execute this  
instrument on Charter School's behalf.

\_\_\_\_\_  
Notary Public

My Commission Expires \_\_\_\_\_



## EXHIBITS

**Exhibit 1-** Approved Charter Application (“Charter School’s Application”)

**Exhibit 2-** Current Approved Performance Frameworks

**Exhibit 3-** Pre-Opening Checklist/ Protocol

**Exhibit 4-** Waivers